

AO 91 (Rev. 11/11) Criminal Complaint

CLERK'S OFFICE U.S. DIST. COURT  
AT CHARLOTTESVILLE, VA

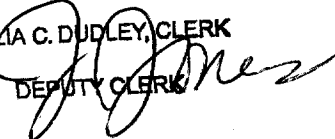
FILED

## UNITED STATES DISTRICT COURT

for the

Western District of Virginia

MAY 07 2013

JULIA C. DUDLEY, CLERK  
BY:  DEPUTY CLERK

United States of America

v.

Kelly Erin McPhee

Case No. 3:13mj 00028

*Defendant(s)*

## CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of May 6, 2013 in the county of Albemarle in the  
Western District of Virginia, the defendant(s) violated:*Code Section**Offense Description*18 U.S.C. 1028  
18 U.S.C. 1341  
18 U.S.C. 1343Fraud and related activity in connection with identification documents  
Mail Fraud  
Wire Fraud

This criminal complaint is based on these facts:

See attached affidavit of Lazaro "Larry" Cosme, which is incorporated herein by reference.

☒ Continued on the attached sheet.  
*Complainant's signature*

S.A. Lazaro "Larry" Cosme, HSI

*Printed name and title*

Sworn to before me and signed in my presence.

Date:

5-7-13  
*Judge's signature*

City and state:

Charlottesville, Virginia

B. Waugh Crigler, Magistrate Judge

*Printed name and title*

*Ng 3.13u/0028*  
*Rec'd w/ to Compl.*  
*5-7-13*  
*[Signature]*  
*WSTF.*

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF VIRGINIA

COMMONWEALTH OF VIRGINIA :  
: ss. A F F I D A V I T  
COUNTY OF ALBEMARLE :

I, Lazaro ("Larry") Cosme, being duly sworn, depose and state:

**BACKGROUND**

1. I am a Special Agent with the Department of Homeland Security, Immigration and Customs Enforcement (ICE), Homeland Security Investigations (HSI), in Harrisonburg, Virginia. I have been employed by HSI/INS for twenty years. As part of my daily duties as an HSI Special Agent, I investigate criminal violations relating to the illicit manufacturing of identity documents, immigration documents, false claims to U.S. citizenship, customs and immigration laws and other related violations of the Immigration and Nationality Act. These duties also include investigating cases involving violations pertaining to the illegal production, transfer, distribution, receipt, and possession of premium authentic identification documents and false identification documents, in violation of 18 U.S.C. §§ 506(a)(1), 506(a)(2), 506(a)(3), 1028(a)(1), 1028(a)(2), 1028(a)(3), 1028(a)(4), 1028(f), 1341, 1343 and 42 U.S.C. § 408(a)(7)(C). I have received training in the area of identifying fraudulent, counterfeit, and authentic documents, and have had the opportunity to observe and review numerous examples of foreign and domestic documents. I have also participated in the execution of numerous search warrants many of which involved fraudulent, counterfeit, and/or authentic identity document offenses.

2. I submit this Affidavit for the purpose of establishing probable cause that, between on or before December of 2012 through May 6, 2013, Kelly Erin McPhee ("MCPHEE")

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violated 18 U.S.C. § 1028(a)(1), which makes it a crime to knowingly and without lawful authority produce an identification document, authentication feature, or a false identification document; 18 U.S.C. § 1028(a)(2), which makes it a crime to knowingly transfer identification document, authentication feature, or a false identification documents knowing that such document or feature was stolen or produced without lawful authority; 18 U.S.C. § 1028(a)(3), which makes it a crime to knowingly possess with the intent to use unlawfully or transfer unlawfully five or more identification documents, authentication features, or a false identification documents; 18 U.S.C. § 1028(f), which makes it a crime to attempt or conspire to commit any offense under 18 U.S.C. § 1028; 18 U.S.C. § 1341, which makes it a crime to devise a scheme or artifice to defraud, or to sell a counterfeit article, and for the purpose of executing such scheme or artifice or attempting to do so, to place in any post office, any matter or thing whatever to be sent or delivered by the Postal Service; and 18 U.S.C. § 1343, which makes it a crime to devise a scheme or artifice to defraud, or to obtain money and property by means of false or fraudulent pretenses, representations, or promises, and to transmit by means of wire communication in interstate and foreign commerce any signs, writing, signals, pictures, and sounds for the purpose of executing the scheme and artifice.

3. I am familiar with the information contained in this Affidavit based upon the investigation I have conducted and based on my conversations with other law enforcement agents who have engaged in investigations involving the unlawful production, transfer, possession, and sale of fraudulent, counterfeit, and authentic identity documents.

**PROBABLE CAUSE**

4. Based on my experience and training, I know that document vendors, usually, manufacture and distribute counterfeit and authentic identity documents, including drivers

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licenses, resident alien cards, social security cards, employment authorization cards and state identification cards (collectively, "identity documents").

5. During calendar year 2012, several students at the College of Charleston in Charleston, South Carolina, were identified by law enforcement as possessing fraudulent identification documents (e.g. documents fraudulently purporting to be state-issued driver's licenses) purchased from an entity called "Novel Designs." Subsequent investigation produced information that, through word of mouth advertising, college students learned of an entity called "Novel Designs" that accepts orders for fraudulent identification documents via email and conducts the transactions via U. S. Mail. Purchasers are told to send cash payment via U. S. Mail to "Com Services" at P.O. Box 7266, Charlottesville, Virginia 22906. Approximately one week after sending cash payment, the students receive high quality fraudulent driver's licenses of various states via U. S. Mail from an entity called "ND & Associates" utilizing an address of P.O. Box 6210, Richmond, Virginia 23230. I, along with other law enforcement agents, have corroborated by multiple witness interviews that numerous people have sent cash via U. S. Mail to "Com Services" at P.O. Box 7266, Charlottesville, Virginia 22906, and in exchange, they received fraudulent identification documents from ND & Associates.

6. By means of a federal search warrant, I have confirmed that fraudulent identifications have been sent via U. S. Mail from "ND & Associates" utilizing a fictitious return address of P.O. Box 6210, Richmond, Virginia, 23230. By researching USPS databases, I learned that "ND & Associates" utilized free USPS business shipping assistant software to create USPS shipping labels. Postage was paid with stamps and pre-paid USPS flat rate envelopes. USPS records indicate that "ND & Associates" has sent several USPS Priority Mail flat-rate parcels to addresses at or near college campuses throughout the United States.

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7. The investigation has revealed that over 4,000 of these parcels have been mailed since early 2011 and that those engaged in the business of manufacturing and selling high quality fraudulent driver's licenses of various states have adopted a modus operandi whereby they use fictitious addresses, business entities and identifications to conceal and obstruct detection, surveillance, and apprehension by law enforcement agents. Using this technique, it is typical for illicit identity document vendors to solicit orders from customers by email, phone and word of mouth. Computer equipment is usually used to help create these premium quality fraudulent identification documents.

8. Based on the facts described above, I believe that the entities named "Com Services," "ND & Associates," and "Novel Designs" are part of the same scheme of conduct and are used to facilitate the production of premium quality fraudulent identifications for college students throughout the United States. Three individuals have been identified as being involved with facilitating the production of fraudulent identifications using the above-named entities. Their involvement is briefly described below.

9. On January 11, 2013 a covert surveillance camera was installed in the lobby of the Charlottesville, Virginia, Main Post Office to monitor and record any activity at P.O. Box 7266 assigned to "Com Services." By means of subsequent review of the recordings, law enforcement agents learned that P.O. Box 7266 was regularly checked by the same person, who is believed to be using the name Joshua TUCKER. Physical surveillance was conducted on TUCKER on January 23, 2013 by law enforcement agents. TUCKER entered a white 2008 Land Rover with Washington State license plate AIH-8881. A female subject, believed to be using the name Kelly MCPHEE, was in the front passenger seat. After stopping at various local businesses, the white 2008 Land Rover went to 920 Rugby Road in Charlottesville, Virginia.

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The white 2008 Land Rover was parked inside the garage of that address. Since the aforementioned date, TUCKER has been observed by law enforcement agents on numerous occasions retrieving mail out of P.O. Box 7266, Charlottesville, Virginia, almost daily and subsequently returning to the 920 Rugby Road address.

10. On February 25, April 10, and April 25, 2013, MCPHEE was observed retrieving mail out of P.O. Box 7266, Charlottesville, Virginia. Both TUCKER and MCPHEE have been observed by law enforcement agents operating the white 2008 Land Rover on various occasions between January and April of 2013 during document order pick-ups in Charlottesville, Virginia.

11. On February 13, 2013, a covert camera was installed to monitor and record the area within public view at 920 Rugby Road in Charlottesville, Virginia. Since that time an additional vehicle, a black 2013 Cadillac SUV, has been observed parked in the driveway of that address on several occasions. This vehicle is registered to an individual named Bai WU in Philadelphia, Pennsylvania.

12. On March 8, 2013, law enforcement agents observed an individual exit the residence at 920 Rugby Road, Charlottesville, Virginia, and enter WU's black 2013 Cadillac SUV with a large trash bag. The vehicle was parked in the driveway of 920 Rugby Road in Charlottesville, Virginia. The individual subsequently left the property. The contents of the bag are unknown. Law Enforcement would later learn, as explained in more detail below, that this individual was Mark BERNARDO.

13. On May 2, 2013, law enforcement agents observed TUCKER driving the Red Jeep Wrangler, license plate 1G6693A, between the U.S. Post Office in Charlottesville, Virginia and 920 Rugby Rd, Charlottesville, Virginia. Law enforcement agents maintained surveillance of TUCKER during this surveillance operation. Law Enforcement ran the tags of this vehicle,

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which came back registered to a 2005 Dodge Ram truck in Alabama in the name of JONES.

14. Law Enforcement indices were checked and they revealed that an individual named Joshua TUCKER, with a date of birth of August 8, 1984 is renting 920 Rugby Rd, Charlottesville, Virginia.

15. On or about May 6, 2013, the property owners for 920 Rugby Road, Charlottesville, Virginia 22901, indicated that an individual named Joshua TUCKER pays the rent in cash. The property owners were shown a photo of JONES. They positively identified JONES as the individual to whom they leased the property and who had used the alias of Joshua TUCKER. The property owners also stated that during a maintenance visit in December of 2011, they observed a room which had been fortified by TUCKER along with several boxes of latex gloves in or about the room. Additionally, the property owners stated that TUCKER mentioned he had a large safe inside the house at 920 Rugby Road, Charlottesville, Virginia. The property owners stated that TUCKER has used multiple names and identifying information towards them, and has also mentioned that he primarily conducts business in cash, to include paying \$60,000 cash for a vehicle. The property owners stated that they had sent an eviction notice to TUCKER on May 3, 2013 at 8:30am. The pending eviction is not related to this investigation.

16. Between January of 2013 and May 2013, surveillance operations were conducted at 920 Rugby Road, Charlottesville, Virginia 22901, which revealed that it is a single-family dwelling, white exterior, with brown colored trim and brown window shutters. There is a driveway to the left side of the dwelling with a garage brown in color.

17. On April 28, 2013, law enforcement agents conducted an undercover buy of the premium quality fraudulent identifications. Law Enforcement made contact with Novel Designs

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via email, which sent instructions via email to send cash payment to Com Services in Charlottesville, Virginia via the United States Postal Service. The instructions were very specific to include which class of mail and other USPS add-on services to use. Law Enforcement made payment as instructed. On May 6, 2013, Law Enforcement received an email response from the sellers indicating that the fraudulent identifications have been shipped.

18. Based upon the information provided above, there is probable cause to believe that TUCKER and MCPHEE used the 920 Rugby Rd, Charlottesville, Virginia, to store contraband, firearms, and cash derived from the unlawful sale of fraudulent identity documents from the Western District of Virginia.

19. On May 6, 2013, Law Enforcement executed a search warrant at 920 Rugby Road, Charlottesville, Virginia (the "Residence"). Inside the Residence, Law Enforcement found a Grey Liberty Safes with dimensions of approximately five feet by three feet by three feet (the "Safe"). The Safe features a rotary combination, a key lock, and a silver door handle. The Safe is located in an upstairs room that contained documents relating to the production of fraudulent identification documents. Law Enforcement found substantial U.S. Currency in the Residence, which totals around \$200,000. There was a firearm on top of the Safe and multiple other firearms in the Residence, including high power assault rifles.

20. Law Enforcement located two vehicles at or near the Residence. The first vehicle is the 2013 CADILLAC SRX WITH A VIN OF 3GYFNHE3XDS527517 and a Pennsylvania license plate of JBZ1675 that was purchased by WU. A fourth individual was found at the Residence. This fourth individual is Mark BERNARDO, who is WU's brother-in-law. In a statement to Law Enforcement on or around May 6, 2013, BERNARDO admitted that that he used WU as a straw purchaser for the 2013 Cadillac using proceeds from the unlawful sale of



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fraudulent identification documents. The second vehicle was TUCKER's Red Jeep Wrangler, Alabama license plate 1G6693A, that Law Enforcement observed TUCKER using to facilitate the sale of fraudulent identification documents. This Jeep Wrangler has a VIN of 1J4FA24129L783298.

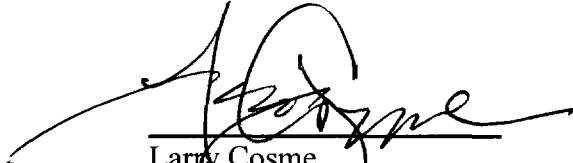
21. In his statement to Law Enforcement, BERNARDO identified JONES by photograph as an individual that he knew as "Carter". BERNARDO stated that, beginning in December of 2012, "Carter" employed him to assist in the scheme to create and sell fraudulent identification documents. BERNARDO said "Carter" paid him in cash for his assistance. BERNARDO said that "Carter" and MCPHEE were the only other people allowed to enter the rooms where the fraudulent identification documents were created.

22. MCPHEE was found in the Residence on May 6, 2013, when Law Enforcement executed a search warrant. BERNARDO stated that MCPHEE was in an adjacent room working on the creating false identification documents when Law Enforcement entered the Residence. BERNARDO stated that MCPHEE assisted "Carter" with the creation of fraudulent identification documents since at least December of 2012.

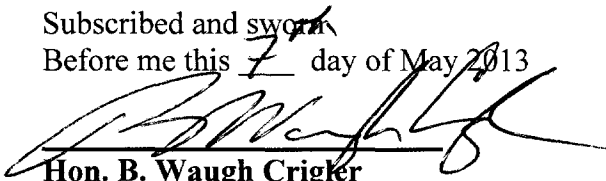
22. Based on the above information, there is probable cause to believe that MCPHEE has violated 18 U.S.C. §1028(a)(1), 1028(a)(2), 1028(a)(3), 1028(a)(4), 1028(f), 1341, and 1343.

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23. Based on the foregoing, I respectfully request that an Arrest Warrant be issued for Kelly Erin McPhee.

  
Larry Cosme  
Special Agent  
Homeland Security Investigations

Subscribed and sworn  
Before me this 7<sup>th</sup> day of May 2013

  
Hon. B. Waugh Crigler  
United States Magistrate Judge